

REVISED
6/18/2013

2013-14 BUDGET

GLENDALE UNIFIED SCHOOL DISTRICT
Board of Education Meeting – June 18, 2013
Discussion Report No. 3

Eva Rae Lueck, Chief Business & Financial Officer
Mike Lee, Controller



2013-14 BUDGET

■ June 18 Budget – “Placeholder”

- ▶ Assumes Revenue Limit and Deficit Factor

■ Future Revision

▶ Finalized State Budget

- Local Control Funding Formula (LCFF)
- Common Core Funding
- K-3 Class Size Rules
- Multi-Year Projection

▶ Adjustment to H & W Projection

▶ Review of Staffing Allocations

HISTORICAL BUDGET REDUCTIONS

Reductions	Total
2007-08 Reductions	
Freeze Vacancies (one-time)	2,200,000
Freeze Supplies & Services (one-time)	500,000
Reallocate 20 positions to Categorical	763,000
Sub-total	3,463,000
2008-09 Reductions	
Savings from 5 FTE	358,282
Savings from Special Education	800,000
Workers Compensation Savings	2,891,400
Maintenance Workers 2 FTE	91,000
End-Of-Year Tier III Sweeps (one-time)	5,423,553
CPI Adjustment On Supplies and Services	383,000
Sub-total	9,947,235
2009-10 Reductions	
Admin. & Cont. HS Restructure (9.2 FTE)	670,000
Teacher Staffing Ratio Changes (one-time)	2,000,000
On-going Tier III Sweeps - Includes some staff reductions and Counseling reductions.	4,922,478
Sub-total	7,592,478

HISTORICAL BUDGET REDUCTIONS-CONT.

Reductions	Total
2010-11 Reductions	
Administration Reorganization 10 FTE	1,100,000
FASO Staff 7 FTE	450,000
Special Education 7.4 FTE	500,000
School Safety Grants Sweep (one-time)	1,200,000
Restricted Lottery Utilization	500,000
Charge Food Service Indirect Cost	350,000
MS reduce 1 FTE per 1,000 students (3 FTE)	300,000
HS reduce 1 FTE per 1,000 students (9 FTE)	900,000
Clark MHS adjust to 6 periods (4 FTE)	400,000
Daily HS reduce counseling 1 FTE	100,000
Summer School Cost Reduction	700,000
Class Size K-3 to 24.9:1 Ratio	3,400,000
Sub-total	9,900,000

HISTORICAL BUDGET REDUCTIONS-CONT.

Reductions/Savings	Total
2011-12 Reductions/Savings Measure S Savings ReConnectEd Savings Consolidated EEELP/Categoricals Sub-total	 517,000 80,000 150,000 747,000
2012-13 Reductions/Savings PIO Position (1 FTE) Energy Manager Position (1 FTE) ES and MS Assistant Principals (2 FTE) Shift Dental to ASCIG / Blue Shield Plan Changes Sub-total	 112,000 120,000 255,000 240,000 727,000
2013-14 Reductions/Savings Elementary School Reduction of 1 FTE Assistant Principal Elementary School Reduction of 25 FTE Teachers Secondary School Additional Cut of 1 FTE per 1000 Students Early Retirement Savings Sub-total	 120,000 2,440,000 1,300,000 TBD 3,860,000
GRAND TOTAL	\$36,236,713

2013-14 June Budget Adoption

2012-13 Projected Ending Balance Adjustment

Major Changes	2012-13
Second Interim 2012-13 Ending Balance (Scenario 1)	\$ 31,506,133
<u>Special Education</u>	
2012-13 Projected Actual Expenditure Adjustment	\$ (1,588,889)
<u>Unrestricted General Fund</u>	
State TK-3 CSR Increase	\$ 260,000
Interest Income Decrease	\$ (206,000)
Salary and Benefit Savings	\$ 1,510,000
2012-13 Health and Welfare Inflation Adjustment	\$ 1,000,000
Retiree Benefits 2.37% to 1.877%(12-13) and 2.545%(13-14)	\$ 582,140
Utilities Savings	\$ 375,000
Unrestricted Textbook Augmentation	\$ (250,000)
Budget Prior Year Carry-Over(One Time)	\$ (692,482)
Solar Maintenance and Performance Guarantee	\$ (40,200)
Tier III Revenue Adjustments	\$ 104,000
Current Year Impact	\$ 1,053,569
Adjusted Ending Balance Projection	\$ 32,559,702
<u>Designated and Restricted Portion:</u>	
Revolving Cash	\$ 70,000
Stores	\$ 96,578
3% Mandated Reserve for Economic Uncertainties	\$ 7,128,200
Fund Balance Assignment	\$ 2,010,103
Adjusted Balance in Excess of Assignment And 3% Reserve	<u>\$ 23,254,821</u>

2013-14 June Budget Adoption – Scenario I

Major Assumptions

• Revenue Limit	2012-13	2013-14	2014-15	2015-16
■ Deficit Factor	22.272%	22.272% 18.997%	22.272% 18.997%	22.272% 18.997%
■ Net COLA Increase	1.08%	1.65% 1.565%	2.20% 1.80%	2.40% 2.20%
■ Revenue Limit Per ADA	\$5,223	\$5,310 \$5,530	\$5,427 \$5,630	\$5,558 \$5,755
■ Average Daily Attendance (ADA)	25,371	25,169 25,246	24,994 25,109	24,890 24,995
■ Revenue Increase	\$1.4 M	\$2.2 M \$7.8 M	\$2.9 M \$2.5 M	\$3.2 M \$3.1 M



\$307 per ADA Increase

Major Assumptions

(Los Angeles County Office of Education and School Services of California*)

- ~~LCFF **Not** Implemented~~ (Base Revenue 1972)
- Revenue Limit with 18.997% Deficit Factor*
- Furlough Days Maintained \$3 Million
- Transfer & Utilization of \$24.7 Million in One Time Funds.



Structural Deficit ~~\$12~~ Million

\$9 Million with H & W Change

\$?? With LCFF

Multi-Year Projection Unrestricted General Fund

(In Millions)

Description	2013-14	2014-15	2015-16	2016-17
	Projected Budget	Projected Budget	Projected Budget	Projected Budget
Revenues				
Revenue Limit	\$ 133.9	\$ 135.6	\$ 137.9	\$ 140.6
Federal	0.2	0.2	0.2	0.2
Other State	20.5	20.5	20.5	20.4
Local	5.1	5.1	5.1	5.1
Total Revenues	\$ 159.7	\$ 161.4	\$ 163.7	\$ 166.4
Expenditures				
Certificated Salaries	\$ 77.0	\$ 80.1	\$ 80.6	\$ 81.2
Classified Salaries	16.3	15.8	16.3	16.3
Employee Benefits	35.6	36.6	39.9	41.9
Book & Supplies	1.9	1.9	1.9	1.9
Services/Capital Outlay/Support	9.2	9.4	9.6	9.9
Total Expenditures	\$ 140.0	\$ 143.7	\$ 148.4	\$ 151.2
Other Financing Sources/Uses	\$ (26.3)	\$ (7.2)	\$ (27.0)	\$ (27.0)
Net Increase/Decrease to Fund Balance	\$ (6.6)	\$ 10.4	\$ (11.7)	\$ (11.8)

Multi-Year Projection Unrestricted General Fund (In Millions)

Description	2013-14	2014-15	2015-16	2016-17
	Projected	Projected	Projected	Projected
	Budget	Budget	Budget	Budget
Beginning Balance	\$ 32.6	\$ 26.0	\$ 36.4	\$ 24.7
Ending Balance	\$ 26.0	\$ 36.4	\$ 24.7	\$ 12.9
Undesignated Amount Over 3%	\$ 17.6	\$ 27.9	\$ 16.1	\$ 4.2

2013-14 Finalized State Budget

Implementing LCFF

What Does that Mean??

LOCAL CONTROL FUNDING FORMULA (LCFF) – Cont.

- **Base Grant** – varies by grade level
K-3...4-6...7-8...9-12

Governor's Goal - 2021

Factors	K-3	4-6	7-8	9-12
Grade Span <u>Base</u>	\$6,441	\$6,538	\$6,732	\$7,800
Grant per ADA (Includes Increase Target Base Grant \$537 and 1.565% COLA)	\$6,987	\$7,083	\$7,277	\$8,346
CSR, CTE amounts	\$723	–	–	\$218

- K-3 Class Size at 24 to 1 in 2020-21 (Rules ??)

2013-14 Budget Projection

LOCAL CONTROL FUNDING FORMULA (LCFF)

- Per Student **Supplemental Grant** - ~~35%~~ 20%
Eligible Students: English Learners, Free and Reduced-Price Meals Program, Foster Care
(58%)

- Per Student **Concentration Grant** - ~~35%~~ 50%
Eligible Students exceed ~~50%~~ 55% of Total Enrollment
(fund those exceeding 50% level; 3%)
55%

- **Economic Recovery Payment**
 - Ensure that all districts would get back to their pre-recession funding levels

 - Only a handful of school districts would receive these additional funds

Next Steps

State Funding, Rules, and Process Needs to be Finalized

- **Common Core Proposal Needs to be Defined**
- **K-3 Class Size at 24 to1 in 2020-21 (Rules ??)**
- **Special Education Funding Modification**
- **Actual LCFF Impact and Local Control Accountability Plan (LCAP)??**
- **LCFF Details**
 - **ROP, EIA, TIIG Funding**
 - **PERS Reduction**
 - **Multi-Year Implementation**

Board Next Steps

- **Evaluate Funding Increase**
- **Implementation of Strategic Plan and Common Core**
 - **Competing Priorities**
 - **Structural Deficit**
 - **Restoration and/or Expansion of Programs**
 - **Rescission of Furlough Days**
 - **Employee Compensation**
- **Revise 2013-14 Budget: Legal Timeline – 45 Days**